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BEFORE THE PUBLIC UTILITIES COMMISSION  
 OF THE STATE OF HAWAII

In the Matter of the Application of

HAWAII ELECTRIC LIGHT COMPANY, INC.

For Approval of Rate Increases and Revised Rate  
 Schedules.

DOCKET NO. 05-0315

PUBLIC UTILITIES  
 COMMISSION

2007 MAY 11 P 3:59

FILED

**HAWAII ELECTRIC LIGHT COMPANY, INC.'S  
 RESPONSE TO KEAHOLE DEFENSE COALITION'S  
RESPONSIVE STATEMENT TO REBUTTAL TESTIMONY**

**EXHIBIT "A"**

**AND**

**CERTIFICATE OF SERVICE**

GOODSILL ANDERSON QUINN & STIFEL  
 A LIMITED LIABILITY LAW PARTNERSHIP LLP

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**HAWAII ELECTRIC LIGHT COMPANY, INC.'S  
RESPONSE TO KEAHOLE DEFENSE COALITION'S  
RESPONSIVE STATEMENT TO REBUTTAL TESTIMONY**

This response is respectfully filed on behalf of Hawaii Electric Light Company, Inc. ("HELCO") to "Keahole Defense Coalition's Responsive Statement to Rebuttal Testimony of Hawaii Electric Light Company, Inc." dated April 28, 2007 ("KDC's Responsive Statement").<sup>1</sup>

HELCO's rebuttal testimonies address the comments and arguments made by KDC in its Position Statement dated February 18, 2007 (and served on February 20, 2007), and it should not be necessary for HELCO to repeat testimony in responding to KDC's Responsive Statement.

Thus, this response is limited to responding to certain comments in KDC's Responsive Statement.<sup>2</sup>

<sup>1</sup> The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (the "Consumer Advocate") proposed, and the Keahole Defense Coalition ("KDC") and HELCO agreed, to modify the procedural schedule, subject to Commission approval, to allow KDC to file a position statement by April 30, 2007 in response to HELCO's rebuttal testimonies, and to allow the Consumer Advocate and HELCO to respond, if they deem necessary, by May 11, 2007, as reflected in the Consumer Advocate's letter to the Commission dated April 23, 2007. The Commission approved the amendment to the schedule of proceedings by Order No. 23411, issued May 3, 2007.

<sup>2</sup> This response does not respond to every instance in which statements made in HELCO's rebuttal testimonies are characterized, since the testimonies speak for themselves. See, e.g., KDC's Responsive Statement at 8 (Lee), 13 (Nakamoto), 14 (Dizon), 16 (Tsukazaki – adding bracketed words).

Amendment to Conservation District Use Permit ("CDUP")

KDC commented on certain statements in the rebuttal testimonies of Warren Lee, HELCO RT-1, and R. Ben Tsukazaki, HELCO RT-15F, with respect to HELCO's efforts to obtain an amendment to its CDUP (i.e., the "CDUA"), the period allowed for construction after HELCO obtained its default entitlement and the Board of Land and Natural Resources' ("BLNR") granting of an extension, and whether HELCO should have pursued reclassification/rezoning of the Keahole site, rather than the CDUA.

With respect to HELCO's efforts to obtain an amendment to its CDUA<sup>3</sup>, this is not the appropriate forum to reargue matters that were decided by the courts (including the Hawaii Supreme Court) or by settlement. HELCO's efforts to obtain the CDUA resulted in a "default entitlement", which was confirmed by the Circuit Court of the Third Circuit ("Third Circuit") in February 1998, and was affirmed by the Hawaii Supreme Court on appeal in July 2003.

HELCO, however, does agree that KDC has acted independently of Waimana Enterprises, Inc. ("Waimana"). (See KDC's Responsive Statement at 9.) (KDC demonstrated that through its willingness to participate in settlement discussions, and ultimately, by its willingness to settle its disputes, while Waimana was unwilling to even participate in mediated settlement discussions.) In fact, HELCO's point in HELCO RT-1 (pages 27, 55) is that (1) Waimana's interests were different from those of KDC, (2) Waimana's opposition was to HELCO's addition of HELCO-owned generation, regardless of location or process used to obtain approval to site additional generation at Keahole, and (3) Waimana took every action available to it to oppose HELCO's efforts to add generation.

HELCO has addressed issues raised by KDC with respect to the construction period

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<sup>3</sup> KDC's Responsive Statement at 2-3.

applicable under HELCO's default entitlement, and HELCO's efforts to extend the period after the Third Circuit ruled in September 2000 that a 3-year construction deadline applied from April 1996.<sup>4</sup> See HELCO RT-1 at 46-56; HELCO RT-15F at 15-17. Further information in the form of documents and pleadings is available in the monthly status reports filed in Docket No. 7623.<sup>5</sup>

With respect to whether HELCO should have initiated an action against the County when the latter refused to process building permits because of the absence of the Department of Land and Natural Resources' ("DLNR") approval of the drawings<sup>6</sup>, the declaratory judgment action initiated by HELCO in 1996 would provide such relief: Once affirmed as legal by default, the improvements would be ministerially approved by the County through the building permit process.

With respect to whether HELCO should have pursued reclassification/rezoning of the Keahole site, rather than the CDUA, HELCO had a valid basis for requesting a CDUA.<sup>7</sup> The facts in the record cannot support a finding that the decision to request a CDUA was unreasonable or imprudent or resulted in foreseeable delay, and such a finding cannot be based on conjecture or "what if" speculation.

#### Air Permitting

KDC commented on certain statements in the rebuttal testimony of Scott Seu, HELCO RT-15A,<sup>8</sup> with respect to the public hearings for the air permits, and the change in the Environmental Protection Agency's ("EPA's") determination of Best Available Control Technology ("BACT") for NOx emissions.

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<sup>4</sup> KDC's Responsive Statement at 3, 18.

<sup>5</sup> See, e.g., BLNR's Findings of Fact and Conclusions of Law, Decision and Order in DLNR File No. 01-03-HA dated March 23, 2002, which was included as Attachment 2 to the April 4, 2002 Status Report.

<sup>6</sup> KDC's Responsive Statement at 18-19.

<sup>7</sup> HELCO RT-15F at 1-13.

<sup>8</sup> KDC did not comment on the rebuttal testimony of Jim Clary, HELCO RT-15B.

HELCO agrees that the purpose of a public hearing on a proposed air permit is to afford an opportunity for the public to provide information to the Hawaii Department of Health (“DOH”). The fact that the public had comments on a draft permit prepared by the DOH, however, did not mean that “the Company should have taken better precautions in the preparation of its air permit application.” DOH twice reviewed HELCO’s application and twice determined that it was complete. As Mr. Clary explained in his testimony:

“Complete” as defined the current Hawaii Administrative Rules (“HAR”) on air permitting, “means, in reference to an application for a permit, that the application contains all of the information necessary to begin and reasonably complete processing the application.” (See §11-60.1-1 of the HAR.) The completeness determination is an important step in the air permitting process because it means that the applicant has provided all of the information that it is required to provide.

HELCO RT-15B at 3.

With respect to the use of Selective Catalytic Reduction (“SCR”), Mr. Seu testified that the EPA changed its position, which it did, not that EPA “unfairly” changed its position.

HELCO RT-15A at 6–8, 16.

With respect to the Maui Electric Company, Limited (“MECO”) Maalaea SCR demonstration project, the Maalaea M14-16 air permits, approved by DOH and EPA in 1991 and 1992, deemed water injection as NO<sub>x</sub> BACT, while also requiring MECO to conduct an SCR demonstration project. The permit language concerning the SCR demonstration project (Exhibit “A” attached hereto, provides an excerpt of the pertinent permit “special conditions” for reference) explicitly provided that an independent consultant was to review the SCR demonstration project final results and prepare an analysis of alternative NO<sub>x</sub> control technologies. EPA and DOH could require use of SCR or an alternative control technology if demonstrated to be technically feasible and if supported by the results of the independent

consultant's analysis.

The initial draft air permit for Keahole CT-4/5, issued in August 1994 and reviewed by EPA, contained the same NOx BACT determination requiring water injection, subject to revision depending on the results of the Maalaea SCR demonstration project. The second Keahole draft air permit was issued in March, 1995, again with the same requirements.

In November, 1995, when EPA indicated that it had adopted the position that SCR should be considered NOx BACT for Keahole CT-4/5 when operated in combined cycle, only preliminary results from the Maalaea SCR demonstration project were available and no final determinations had been made. MECO had most recently provided DOH and EPA with preliminary data from the SCR demonstration project in a September 12, 1995 status report. No independent consultant had been retained and no consultant analysis had been prepared. Thus, EPA's determination that SCR should be required for Keahole CT-4/5 not only came as a surprise, but was also inconsistent with the process outlined for the MECO SCR demonstration project.

#### Pre-PSD Construction

KDC commented on certain statements in the rebuttal testimonies of Barry Nakamoto, HELCO RT-15C, and Jose Dizon, HELCO RT-4A,<sup>9</sup> with respect to the Pre-PSD construction<sup>10</sup> done at the Keahole Power Plant.

With respect to the scope of the Pre-PSD request, the request letter (May 25, 1994) specifically stated that the requested facilities included the "fire main extension,

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<sup>9</sup> Mr. Dizon's testimony on the subject of Pre-PSD work is based on Mr. Nakamoto's testimony, who has testified at length on this subject in other dockets.

<sup>10</sup> "Pre-PSD construction" refers to construction activities that are authorized to be done before the effective date of a Prevention of Significant Deterioration ("PSD") permit. HELCO RT-15A at 1.

Warehouse/shop, water treatment system, switchgear, water treatment and control buildings, electrical transformers and access road to the facilities.”

As indicated in Mr. Nakamoto’s testimony, HELCO followed the same process to obtain approval to do Pre-PSD work for CT-3 at HELCO’s Puna Power Plant, and for M17 at MECO’s Maalaea Power Plant, as was followed to obtain approval of the Pre-PSD improvements at the Keahole Power Plant. In particular, HELCO used EPA’s guidance documents to determine which improvements were permissible as part of Pre-PSD construction. HELCO did not rely solely on its own interpretation of the rules, but rather sought and received approval from EPA and DOH. This is the basis for the statement that HELCO’s actions were prudent.

HELCO sought letters of authorization to confirm its understanding of permissible Pre-PSD construction activities before commencing construction. Such letters are the only means available to obtain advance authorization of Pre-PSD construction. The specific terms of the “Approval of Specific Construction Activities at the Hawaii Electric Light Company, Inc. Existing Keahole Generating Station, Hawaii” were as follows:

Pursuant to the written request of May 31, 1994, Hawaii Electric Light Company is hereby granted approval to proceed with the construction activities, as specified in the May 31, 1994 request, at the existing Keahole Generating Station, Hawaii. The approval is based on the understanding that the proposed construction activities will serve as improvements to the existing power plant operations and are not directly or solely associated with the proposed emission units nos. CT-4, CT-5 and the 16 MW stream turbine.

In proceeding with the approved activities, Hawaii Electric Light Company, Inc. accepts all risks and additional expenses that may be incurred and shall not use this as factors in any Prevention of Significant Deterioration (PSD) permit determination or condition.

Letter signed by the DOH (on July 13, 1994) and EPA (on August 17, 1994), which KDC submitted as KDC-29.

As quoted above, the conditions do not provide or suggest that HELCO waived any right to challenge any future PSD decision that EPA might render thereafter. Rather, the conditions simply advise HELCO that it could proceed with Pre-PSD construction at its own risk and expense, as the approval was not a guarantee that a PSD permit would be issued. Under the circumstances, HELCO's reliance on the letters was justified.

With respect to the enforcement action taken by DOH and EPA, it should be noted that while such actions delayed completion of the Pre-PSD construction, they did not delay the completion of the CT-4 and CT-5 projects. After the notices and findings of violation were issued in 1998, DOH and EPA again reviewed the scope of the Pre-PSD construction work requested by HELCO. DOH visited the site to review the work, and both DOH and EPA reviewed detailed engineering drawings for the work. Based on their review, the agencies approved continued Pre-PSD construction with a revised scope of work. Completion of the Pre-PSD construction allowed the CT-4 and CT-5 projects to be completed sooner than they would have been if the Pre-PSD items had not been completed prior to receipt of the final PSD permit, and provided support for the existing generation at Keahole pending installation of CT-4 and CT-5.

#### Noise Mitigation

KDC commented on certain statements in the rebuttal testimony of Barry Nakamoto, HELCO RT-15C,<sup>11</sup> with respect to the recommendations of HELCO's noise consultant.

Mr. Nakamoto addressed the recommendations of HELCO's noise consultant for conducting acoustical analyses and determining noise level criteria, which was Y. Ebisu &

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<sup>11</sup> KDC did not comment on the rebuttal testimony of Guy Pasco, HELCO RT-15D.



Associates (“Ebisu”), and not Stone & Webster Engineering Corporation (“SWEC”)<sup>12</sup>, as well as the SWEC comments referred to by KDC, in HELCO RT-15A on pages 13 to 14.

#### Allowance For Funds Used During Construction (“AFUDC”)

This response does not address AFUDC, since KDC only notes certain statements in the rebuttal testimonies of Patsy Nanbu, HELCO RT-9A, and Michael Adams, HELCO RT-9B.

#### CT-4 and CT-5 Construction

KDC notes the subject matter of the rebuttal testimony of Anthony Koyamatsu, HELCO RT-15E. As noted by KDC, Mr. Koyamatsu addresses construction costs, while other witnesses address the CDUA and air permit processes.

#### Need for CT-4 and CT-5

KDC comments on certain statements in the rebuttal testimony of Jose Dizon, HELCO RT-4A, with respect to the urgency of the need for CT-4 and CT-5.

Mr. Dizon summarizes in his testimony the actions taken or initiated by HELCO in the 1991 to 1993 timeframe to be able to add urgently needed new generation, and the reasons for taking those actions. HELCO RT-4A at 6-10. KDC’s comments do not address the urgency of HELCO’s need for additional generation at that time. Mr. Dizon addresses that need on pages 2 to 5 and 8 to 9 of HELCO RT-4A.

Mr. Dizon (summarizing extensive filings in other dockets) also explains that HELCO agreed to the terms and conditions of a power purchase agreement (“PPA”) with Encogen Hawaii, L.P. in June 1997, which ultimately resulted in a PPA approved in July 1999. HELCO RT-4A at 18, 26. The facility was installed in two phases in 2000. Neither HELCO’s agreement to enter into a PPA with Encogen, nor Encogen’s installation of its facility, eliminated the need

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<sup>12</sup> HELCO RT-15C at 6, 12-13. SWEC’s role was to provide technical assessments of Ebisu’s recommendations, and incorporate the recommendations into the design of the facilities. Id. at 6, 8-9, 10-11, 12-15.

to install CT-4 and CT-5, although HELCO was able to defer the planned installation of ST-7.

See HELCO RT-4A at 25-29, as well as HELCO's submittals in its Integrated Resource

Planning Docket No. 97-0349 and in its Contingency Plan Docket No. 96-0029. Moreover, none of these later events would retroactively render imprudent HELCO's earlier efforts to proceed expeditiously.

DATED: Honolulu, Hawaii, May 11, 2007.

A handwritten signature in black ink, appearing to read "T.W. Williams, Jr." and "P.Y. Kikuta", written over a horizontal line.

THOMAS W. WILLIAMS, JR.  
PETER Y. KIKUTA

Attorneys for  
HAWAII ELECTRIC LIGHT COMPANY, INC.

JOHN WAIHEE  
GOVERNOR OF HAWAII



JOHN C. LEWIN, M.D.  
DIRECTOR OF HEALTH

STATE OF HAWAII  
DEPARTMENT OF HEALTH

P. O. BOX 3378  
HONOLULU, HAWAII 96801

December 9, 1991

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

In reply, please refer to:  
EMD-CAB

91-A778  
File HI 90-02  
and #894

Mr. Thomas J. Jezierny, President  
Maui Electric Company, Ltd.  
P.O. Box 398  
Kahului, Maui, HI 96732

Dear Mr. Jezierny:

Subject: Approval to Construct/Modify a Stationary Source (HI 90-02)  
Maui Electric Company, Ltd.  
28 MW Combined-Cycle Combustion Turbine  
Generating Units 14 and 15  
Located at Maalaea Generating Station, Maalaea, Maui

In accordance with the provisions of the Clean Air Act, as amended, and the PSD delegation agreement of August 15, 1983, as amended on January 5, 1989, between the U.S. Environmental Protection Agency (EPA), Region 9, and the State of Hawaii, the Department of Health has reviewed the application submitted by the Maui Electric Company, Ltd. for the construction of the 28 MW Combined-Cycle Combustion Turbine Generating Units 14 and 15 to be located at Maalaea Generating Station, Maalaea, Maui.

A notice of public hearing and request for public comments regarding the Department's proposed action on the subject project was published on September 12, 1991 in the Honolulu Advertiser and The Maui News. The public hearing was held on Tuesday, October 15, 1991 at 7:00 p.m. at the Kahului Public Library Meeting Room, 20 School Street, Kahului, Maui.

After consideration of all pertinent federal and state statutes and regulations and public comments received during the public hearing and public comment period, the Hawaii Department of Health with the concurrence of the U.S. Environmental Protection Agency hereby issues the enclosed Approval to Construct/Modify a Stationary Source for the facility described above. This Approval to Construct/Modify a Stationary Source shall become effective thirty (30) days from the date of issuance unless the decision on the PSD permit is appealed to the Administrator, U.S. Environmental Protection Agency, Washington, D.C.

EXHIBIT A

Mr. Jezierny  
December 9, 1991  
Page 2

If you have any questions regarding this matter, please contact Mr. Nolan Hirai of the Clean Air Branch at 586-4200.

Very truly yours,

A handwritten signature in dark ink, appearing to read "John C. Lewin", followed by a small flourish or checkmark.

JOHN C. LEWIN, M.D.  
Director of Health

Enclosure

c: DHSA, Maui  
Blake Shilgi  
William Bonnet, HECO  
Tom Peters, Engineering-Science  
Herman Wong, Engineering-Science


APPROVAL TO CONSTRUCT/MODIFY A STATIONARY SOURCE (HI 90-02)

In compliance with the provisions of the Clean Air Act, as amended, and the PSD delegation agreement of August 15, 1983, as amended on January 5, 1989, between the U.S. Environmental Protection Agency, Region 9, and the State of Hawaii, the **Maui Electric Company, Ltd.** is hereby granted approval to construct/modify a stationary source for the construction and operation of the **28 MW Combined-Cycle Combustion Turbine Generating Units 14 and 15** in accordance with the plans submitted with the application and with the Federal regulations governing the Prevention of Significant Air Quality Deterioration (40 CFR 52.21) and other conditions attached to this document and made a part of this approval.

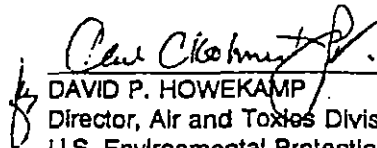
Failure to comply with any condition or term set forth in this approval will be considered grounds for enforcement action pursuant to Section 113 of the Clean Air Act.

This Approval to Construct/Modify a Stationary Source grants no relief from the responsibility for compliance with any other applicable provision of 40 CFR 52, 60 and 61 or any applicable federal, state, or local air quality regulations.

This approval shall become effective thirty days after the service of notice on the final permit action unless so appealed.

  
JOHN C. LEWIN, M.D.  
Director of Health

Date: NOV 18 1991

  
DAVID P. HOWEKAMP  
Director, Air and Toxics Division  
U.S. Environmental Protection  
Agency, Region 9

Date: 12-3-91

## PERMIT CONDITIONS

### I. PERMIT EXPIRATION

This Approval to Construct/Modify a Stationary Source shall become invalid (1) if construction is not commenced (as defined in 40 CFR 52.21(b)(8)) within 18 months after the approval takes effect, (2) if construction is discontinued for a period of 18 months or more, or (3) if construction is not completed within a reasonable time.

### II. NOTIFICATION OF COMMENCEMENT OF CONSTRUCTION AND START-UP

The Hawaii Department of Health shall be notified in writing of the anticipated date of initial start-up (as defined in 40 CFR 60.2) for each emission unit of the source, not more than sixty (60) days or less than thirty (30) days prior to such date and shall be notified in writing of the actual date of commencement of construction and start-up within fifteen (15) days after such date.

### III. FACILITIES OPERATION

All equipment, facilities, and systems installed or used to achieve compliance with the terms and conditions of this Approval to Construct/Modify a Stationary Source shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions.

#### VIII. OTHER APPLICABLE REGULATIONS

The owner and operator of the proposed project shall construct and operate the proposed stationary source in compliance with all other applicable provisions of 40 CFR Parts 52, 60 and 61 and all other applicable federal, state and local air quality regulations.

#### IX. SPECIAL CONDITIONS

##### A. Certification

Maui Electric Company, Ltd. (MECO) shall notify the Hawaii Department of Health in writing of compliance with Special Conditions IX.C. below, and shall make such notification within fifteen (15) days of such compliance. This letter must be signed by a responsible representative of the Maui Electric Company, Ltd.

##### B. New Source Performance Standards

The General Electric LM2500 combustion turbine generator Unit 14 is subject to the federal regulations entitled Standards of Performance of New Stationary Sources (40 CFR 60). Maui Electric Company, Ltd. shall comply with all applicable requirements of Subpart GG, Standards of Performance for Stationary Gas Turbines, including all emission limits and all notification, testing, monitoring, and reporting requirements.

C. Air Pollution Equipment

1. Combustor Water Injection

Maui Electric Company, Ltd. shall design, install, continuously operate and maintain a combustor water injection system to meet the emission limits as specified in Section IX.D. of this Approval to Construct/Modify a Stationary Source. The combustor water injection system shall be fully operational upon start-up of the combustion turbine generator Unit 14. The combustor water injection shall commence operation (a) within twenty (20) minutes of start-up of the combustion turbine operating in the simple cycle mode and (b) within sixty (60) minutes of start-up of the combustion turbine operating in the combined cycle mode. The combustor water injection shall continue to operate to within twenty (20) minutes of shutdown of the combustion turbine for either simple cycle or combined cycle operation.

The operation of the combustor water injection system shall be used whenever the combustion turbine is operating at 25 percent load and above, and, shall be maintained at a minimum water-to-fuel mass ratio as follows:

<u>Combustor Turbine, % Peakload</u>	<u>lb-water/lb-fuel</u>
100	1.04
75 - < 100	0.94
50 - < 75	0.87
25 - < 50	0.72



The use of an alternative control system other than those specified above is contingent upon receiving Hawaii Department of Health's written approval to use such a system and shall not relieve Maui Electric Company, Ltd. from the responsibility to meet all emission limitations contained within this Approval to Construct/Modify a Stationary Source.

2. Demonstration Project

- a. The Maui Electric Company, Ltd. shall provide sufficient space for the installation of a selective catalytic reduction (SCR) system in the design of Maalaea Unit 14.
- b. Within six months after the effective date of this Approval to Construct/Modify a Stationary Source, or May 1, 1992, whichever is earlier, the Maui Electric Company, Ltd. shall submit a proposal for a demonstration project (possibly involving side stream extraction of exhaust gas for testing purposes) for SCR, including quality assurance audit provisions and a project schedule. The proposal shall be subject to review and approval by the Hawaii Department of Health and the U.S. Environmental Protection Agency. The Maui Electric Company, Ltd. shall have the demonstration project for SCR on-line and fully operational within sixteen months after approval of the proposal. In the event that circumstances beyond the control of the Maui Electric Company, Ltd. preclude operation of the demonstration project within sixteen months after approval of the proposal, the Maui Electric Company, Ltd. shall propose an extended project schedule subject to review and approval by the Hawaii Department of Health. The demonstration project for SCR shall be operational for twelve months after it is on-line. With the

approval of the Hawaii Department of Health, the demonstration project may be extended beyond the twelve-month period provided information is submitted justifying such action. The demonstration project shall be conducted in conjunction with either Maalaea Unit 14, Maalaea Unit 16, Hawaii Electric Light company, Inc. Puna Unit CT-3, or a proposed combustion turbine unit approved by the Hawaii Department of Health. The submittal of the demonstration project proposal shall not relieve the associated utility company from obtaining all the necessary permits and compliance with all applicable regulations.

- c. In conjunction with the demonstration project, an independent consultant, mutually acceptable to the Maui Electric Company, Ltd. and the Hawaii Department of Health, shall be retained to undertake an analysis of alternative technologies to control emissions of  $\text{NO}_x$  including the latest results of the demonstration project, SCR and dry low  $\text{NO}_x$  combustion technologies. The analysis will assess the availability and feasibility of the alternative technologies on a worldwide basis, and will assess the energy, environmental (including ambient air quality benefits) and economic impacts, and other costs associated with the use of each technology at Maalaea Unit 14. The analysis shall be funded by the Maui Electric Company, Ltd. and will be conducted under the supervision of the Hawaii Department of Health. The Maui Electric Company, Ltd. shall have the opportunity to assist in preparing the scope of work for the analysis and through the Hawaii Department of Health to review and comment upon the work product prior to the completion and acceptance by the Hawaii Department of Health.
- d. The Hawaii Department of Health and the U.S. Environmental Protection Agency

shall review the results of the demonstration project and the analysis of alternative control technologies based on the criteria specified in Special Condition IX.C.2.C. Based on this review, the Hawaii Department of Health may require the Maui Electric Company, Ltd. to use at Maalaea Unit 14 either the SCR system or an alternative control technology if demonstrated to be technically feasible and if supported by the results of the analysis prepared in accordance with the criteria specified in Special Condition IX.C.2.C. In this event, the Hawaii Department of Health with U.S. Environmental Protection Agency's concurrence may revise this Approval to Construct/Modify a Stationary Source to reflect the new lower emission rates and operating parameters associated with the alternative control technology.

**D. Maximum Emission Limits**

On and after the date of start-up of the combustion turbine generator Unit 14 at the Maalaea Generating Station, the Maui Electric Company, Ltd. shall not discharge or cause the discharge into the atmosphere, nitrogen oxides, sulfur dioxide, particulate matter/ $PM_{10}$ , carbon monoxide, and volatile organic compounds in excess of the following specified limits:

**CERTIFICATE OF SERVICE**

I hereby certify that I have this date served a copy of the foregoing **HAWAII  
ELECTRIC LIGHT COMPANY, INC.'S RESPONSE TO KEAHOLE DEFENSE  
COALITION'S RESPONSIVE STATEMENT TO REBUTTAL TESTIMONY, EXHIBIT**

**"A"**, together with this Certificate of Service, by hand delivery and/or by mailing a copy by  
United States mail, postage prepaid, to the following:

Division of Consumer Advocacy  
Department of Commerce & Consumer Affairs  
335 Merchant Street, Room 326  
Honolulu, HI 96813

Keahole Defense Coalition, Inc.  
73-1489 Ihumoe Street  
Kailua-Kona, Hawaii 96740-7301

DATED: Honolulu, Hawaii, May 11, 2007.



\_\_\_\_\_  
THOMAS W. WILLIAMS, JR.  
PETER Y. KIKUTA

Attorneys for  
HAWAII ELECTRIC LIGHT COMPANY, INC.